

## **BILL ANALYSIS**

Senate Research Center

H.B. 1972  
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International Relations & Trade  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Navigation districts in Texas are required to follow competitive bidding requirements for purchases of contracts involving a known or reasonably expected expenditure in an amount exceeding \$25,000. This threshold was established in 1995, when it was raised from \$15,000 and the threshold has not been increased in the last 14 years despite ever increasing costs of projects.

For projects in which competitive bidding is required, current law requires that bidders attach to the bid a certified check, cashier's check, or bidders bond as security for liquidated damages in the event the bidder is the apparent successful bidder, but fails or refuses to enter into the contract for which the bid is made. In some instances, a navigation district may determine that bid security is not required in order to protect the public interest for the particular project for which bids are sought.

H.B. 1972 increases, from \$25,000 to \$50,000, the threshold amount for items under a contract that requires a port commission or port authority to comply with competitive bidding requirements and specifies that the specification required to be included in the notice must require the attachment of a certified check, cashier's check, or bidder's bond to a bid if the bid specifications require such an attachment.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 60.403(a), Water Code, to authorize a port commission, an authorized designated officer of the port commission, the executive director of the navigation district or the port authority, or an authorized representative of the executive director to make routine purchases or contracts in an amount not to exceed \$50,000, rather than \$25,000.

SECTION 2. Amends Section 60.4035(a), Water Code, to make a conforming change.

SECTION 3. Amends Sections 60.404 (a) and (d), Water Code, as follows:

(a) Makes a conforming change.

(d) Requires that specifications require the attachment to the bid of a certified check, cashier's check, or bidders bond if the bid specifications require the bidder to provide a certified check, cashier's check, or bidders bond.

SECTION 4. Amends Section 60.406 (a), Water Code, to make a conforming change.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: upon passage or September 1, 2009.